

# A Briefing Paper on the ADB's SASEC Tourism Development Plan and its Potential Impacts on India's NE

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The Asian Development Bank promoted South Asia Subregional Economic Cooperation (SASEC) focuses on enabling regional cooperation in 6 sectors: energy and power, transportation, tourism, environment, trade and investment and private sector participation. This initiative involves four countries: Bangladesh, Bhutan, India and Nepal. In India, it covers 13 states of which 7 are the NorthEast states. Through this paper we present why we believe the SASEC Tourism Development Plan is fundamentally flawed and must be rejected. The Plan is definitely a cause of concern for the North East states. From our analysis, we see minimal benefits for the local communities on whose lands infrastructure focused mass commercial tourism is thrust. The SASEC Tourism Development Plan also advocates forms of development that is environmentally damaging and economically unsustainable.

## What is the ADB SASEC Tourism Development Plan?

- The ADB-promoted SASEC (South Asia Sub regional Economic Cooperation) initiative involves four countries – Bangladesh, Bhutan, India and Nepal – geographically covering the Eastern Himalayan-Bay of Bengal Subregion of South Asia. In India, it covers 13 states which are – **all 7 northeastern states**, West Bengal, Bihar, Jharkhand, Uttar Pradesh and Orissa.
- SASEC focuses on boosting regional cooperation in 6 sectors - energy and power, transportation, tourism, environment, trade and investment and private sector participation. The Tourism Working Group was formed in 2001 and comprises the National Tourism Ministries/Boards of the 4 countries and ADB officers. Importantly, Sri Lanka joined the Tourism Working Group in November 2005 although it is not technically part of SASEC.
- The SASEC Tourism Development Plan (hereafter referred to as the TDP) was released in 2004 and is the outcome of discussion among the members of the working group with inputs from industry and private players. It has been **designed on the basis of the GMS** (Greater Mekong Sub-region) Tourism Model which the ADB believes is a success but communities within GMS have declared a failure. This TDP will serve as the overall framework for development of tourism in the entire SASEC sub-region and guide investment, infrastructure development and policy-making on tourism.
- The TDP focuses on development of **tourism-related infrastructure** (roads, air connectivity, facilitating travel by lowering border restrictions), human resource development (through training and resource-building), branding and joint marketing and product development along two themes – **ecotourism and Buddhist circuit**.

## What is in store for the NE in this Plan?

- India's NE states have been identified as a '**Key Area**' in the SASEC TDP due to its 'unrealized potential as an ecotourism product' and international borders with Nepal, China, Bhutan, Bangladesh and Burma. Therefore, it is definitely a big thrust area for the TDP and linked infrastructure development.
- According to the TDP, key tourism products of the NE will be **culture and ethnic diversity, special events, handicrafts, unspoiled beauty, wildlife, biodiversity hotspots, river cruises, tea tourism and Buddhist attractions**.
- The TDP also advocates policy recommendations like a single unified ecotourism policy for the entire NE.
- There is **heavy thrust on infrastructure development** for tourism promotion. Some of the ideas for improved connectivity are converting **Bagdogra (Siliguri, West Bengal)** into an **international airport** and hub for SASEC, opening cross-border land routes and roads within the NE, **water and inland transport** to facilitate cruise tourism and adventure water sports, using the **Asian Highway** project to promote SASEC tourism and **easing of border restrictions** like Restricted Area Permits (RAP) and Inner Line Permits (ILP).
- Specific tourism projects outlined are:
  - ecotourism in the rivers of Ganga, Brahmaputra and Teesta linking the region's national parks with focus on wildlife, cruise tourism and ethnic culture;
  - trekking in the Himalayan belt from Nepal through Sikkim, Bhutan, Arunachal and Assam.
  - water-based adventure tourism in Arunachal Pradesh, Nagaland (Mon and Tsuensang districts)
  - development of tourism in key cross-border areas like Pararpur in Bangladesh – Siliguri, Bagdogra; Mainamati in Bangladesh to Pilak in Tripura; East Bhutan to Arunachal Pradesh

## **What are the activities and focus of the TDP that is cause for concern in the NE?**

The TDP lays down a broad but detailed framework for boosting private sector participation and investment in tourism. Some of the activities that the TDP has prioritized which will deeply impact sustainability concerns in NE are:

- Thrust on private sector participation: The TDP states directly that boosting private sector participation in tourism and promoting FDI are important objectives. 'Enabling the private sector' is a program in itself under the TDP. A worrisome idea is of floating a Tourism Investment Fund with private sector venture capital and minor equity participation by governments to fund tourism and infrastructure projects solely in the NE. All this is to ensure that "tourism's private sector is not marginalized" – in the words of the TDP.
- Deregulation and easing of restrictions: the TDP clearly advocates for removal of all restrictions to travel and investment in the NE. These may be regulations of an environmental or economic nature or restrictions on movement. The TDP makes highly controversial and insensitive suggestions like doing away with RAP, ILP requirements to ease travel within the region without understanding the history and rationale for these restrictions in the first place. Obviously, the TDP gives in to long-standing demands of private investors seeking a free hand in the region, devoid of all responsibility and accountability. Deregulation can have severe implications for the NE given its sensitivities and will aggravate adverse social and environmental impacts that tourism has.
- Focus on infrastructure: As previously stated, infrastructure has received a lot of attention and will receive a lot of money through implementation of this TDP. For the NE, this will only add to the existing strain and pressures of infrastructure projects like highway development, urban infrastructure, hydroelectric and dam projects – many of them funded by the ADB and other IFIs. The link between tourism and travel infrastructure is fundamental and so the demands on infrastructure have to be accounted for and analysed as they will directly impact environmental and social sustainability in the region.

## **Why the SASEC TDP is fundamentally flawed and must be rejected:**

It is true that tourism can be a sustainable source of employment and income for communities in the NE. But the manner in which the TDP is implementing tourism development is undemocratic, non-participatory, biased towards private-sector benefit and insensitive to ground realities in the region. The following points must form the basis of rejection of the TDP by the people of the NE:

- No genuine community participation: The SASEC TDP is a plan developed solely in consultation with the bureaucratic machinery and industry lobbies in tourism and, non-surprisingly, a product of corporate consultancy. The TDP itself states that "...the planning team's overall approach was to emphasise *in-country consultations with stakeholders*, in order to obtain and **understand government and industry views** on how best to use sub regional cooperation as a means for strengthening both intra-regional and inter-national tourism." (emphasis added). While 'community participation' has been repeatedly cited as an objective in the TDP, in reality, there has been negligible involvement of communities or their elected local representatives both in formulation of this document and its implementation aspects. No consultation or workshop has been held in important 'key areas' identified by the TDP for intensive tourism development in the North East. Any plan or policy that has not been drawn up in consultation with communities will bring them negligible benefits. This must be the primary reason for non-acceptance of the SASEC TDP plan as a genuine people's plan for developing tourism in the region and rejecting it.
- The adverse impacts of ecotourism and other proposed plans: The TDP identifies several projects to be promoted in the NE under the rubric of 'developing ecotourism based on nature and culture' but most of these are clearly unsuited to the region and adversely impact both communities and the ecology if implemented. Proposals such as cruise tourism, adventure sports, intensive trekking and car caravans cannot be sustained in the fragile region. A thrust on wildlife and ecotourism may well result in the displacement of indigenous communities from their traditional lands and rights as in Africa and other tourism locations worldwide. The true colours of ecotourism are being exposed and communities come to understand that it is not 'eco-friendly' and smokeless as the industry might pain it to be. Genuine ecotourism is much more than trying to lower tourism's impact on the environment – it includes equitable benefit sharing, access to resources and participation in tourism. But these do not find mention in the SASEC grand plan.
- Unsustainable tourism: The TDP advocates deregulation that will make tourism development environmentally and economically unsustainable for the NE. This is because regulations that are meant to protect the people and environment and improve their benefits are being removed to suit private industry interests. Tourism – to be sustainable and beneficial to locals - has to be introduced in measured and regulated means. A sudden barrage of tourism projects will open the floodgates to investment without giving the local environment and communities sufficient time to cope with such development, let alone benefit from it. Regulations are also

important to ensure that local laws, which are suited specifically to the context of the region, are not overridden by other national or international laws and processes. But the TDP, in stead of strengthening regulation advocates its dilution. Planners and policy-makers need to realise that sustainable tourism in the Northeast in the absence regulation cannot be achieved

- More profitability for private players and the ADB; not the people of the NE: With little attention on benefit sharing with communities, it is clear that the big beneficiaries through the TDP are private investors and the ADB itself. For private players, the TDP makes their job easy by removing barriers to investment and identifying enclaves for investment (through key areas). But the biggest potential gain is for the ADB and other IFIs themselves for whom financing the TDP is a golden opportunity to continue lending out to the NE. Of the 23 projects identified by the TDP, ADB and JBIC together have expressed interest to support (fully or partly) seven projects. The TDP says, "Regional cooperation in tourism is a mutually beneficial opportunity...donor assistance is needed to realise this potential. Consultation with donor agencies should continue". The move by these Banks to keep pushing funds in the name of 'development assistance' must be resisted and for this implementing a massive plan like the TDP rejected.

The SASEC TDP comes at a time when the NE is reeling under the impact of several projects and programmes being undertaken by government and funded by IFIs for the region. Tourism is being seen seemingly more suited to the development priorities of the region given the 'win-win' situations it paints for all involved parties. The rapidity with which tourism plans have been progressing within SASEC is a sure indicator that the Northeast is in for some serious investment in tourism, adding to the strain that current and proposed infrastructure projects. The SASEC's tourism endeavors seem to be following the same tragic line that is visible in all that is being proposed in the name of 'development' for the Northeast – an imposed model of development alien to their context and surroundings. It is important to understand the true implications of the Plan and seek an urgent and appropriate response generated by the people of the NE.

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